

The Future Outlook for Delivery of Human Services

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THE TAXPAYERS of this country spend around \$126 billion for human services provided by the Federal Government alone, but both those who pay for these services and the intended recipients are far from getting \$126 billion worth of good out of them. The root cause of this is simply that we do not have one human service network but hundreds of narrowly based health, education, welfare, and manpower programs operating in virtual isolation from one another.

Sixty percent of the people who seek social services are turned away. Of the 40 percent who actually get in an agency's door, only 17 percent actually get served. And that is only one measure of the system's failure. In addition, 9 of every 10 people who walk through the door of a human

This paper is based on remarks made by Under Secretary Frank C. Carlucci, Department of Health, Education, and Welfare, before the National Association of Counties, in Dallas, Tex., July 25, 1973. Tearsheet requests to Robert J. Longood, Special Assistant to the Under Secretary, Room 5271, HEW North, 330 Independence Ave., SW., Washington, D.C. 20201.

service agency need not only one service but a number of services.

For instance, a disadvantaged teenage girl who gets pregnant needs at least 10 services—prenatal medical care, nutrition guidance, guidance on being a parent, continuation of her regular high school education, obstetric and pediatric care when her baby is born, vocational education, job placement assistance, day care for her child so she can work, family planning help to avoid unwanted future pregnancies, and so on. If she fails to get even a few of these services, the odds strongly favor her becoming a “regular” on the Aid to Families and Dependent Children rolls. In fact, about 80 percent of our nation's AFDC rolls consist of women and children in fatherless homes.

We have calculated the odds of a person getting all the services that he needs, and those odds come out to a flat zero.

Or you can turn the human-need equation around the other way. Say that a person only needs one service to become self-sufficient. Say that a man needs job training but does not get it.

This single agency's failure can set off a chain reaction. The man has to go on welfare. Or he steals and ends up in jail. If he does not get vocational training in jail, he is still headed down the pipe and is using up public agency resources all the way. He may become a chronic offender, using up more police and more court resources. He may become an alcoholic or a drug user—using up still more agency resources. Now he is a one-man epidemic of human service needs. Meanwhile his family is using up public resources like there was no tomorrow—and for them there is none. This futile, endless consumption of public resources can happen because an initial human service need was not met. That is today's human resources delivery system—or nonsystem. This system is wasting human resources at a colossal rate and with few exceptions it is not working.

Meanwhile similar problems of inefficiency and inequity plague the other prong of the governmental human resources effort—the direct provision of income support.

Our welfare system is the major case in point. As President Nixon has often noted, it makes a mockery of our most humanistic instincts. The system offers disincentives to work, it results in unequal and unfair treatment of human beings solely on a geographic basis, and it wallows in administrative chaos.

That's today. Can we do better tomorrow? It will take time, planning, money, and most of all a common understanding of the problems we are up against and a common determination to work together to find solutions.

The problems have come about largely because of a failure to plan comprehensively and to share governmental responsibility. The nonsystem we have today is in pieces because that is the way it was legislated into existence—piece by piece.

Every time some element of human need was recognized—public housing, food stamps, day care, veterans' pensions, or whatever—Congress was implored to pass a law, and it did.

This narrow-purpose categorical aid legislation accumulated slowly until 1960. Then the dam broke. In 1960 we had around 200 Federal aid programs. Today we have more than 1,000.

There is no way to coordinate from Washington the hundreds of Federally aided programs that operate in a single county. Some coordination has been done at the grassroots. But even

with the best efforts to coordinate at the grassroots, the chances of success are not great. Too many Federal laws and too many regulations separate these programs from one another. And, when you separate programs, you separate the people in charge of them, and that fragments the service to the people in need.

A few years ago the President saw what was happening. He saw that local governments were hogtied by all these programs being run out of Washington. He saw the utter impossibility of trying to coordinate them all from a thousand separate Washington bureaucracies. So he began his New Federalism Program. We are well along with this program, but we are not there yet.

Revenue Sharing Legislation

New Federalism puts money and decision-making back where it belongs—at the local and State levels. General revenue sharing legislation is a big step in that direction. It will put \$30 billion in Federal "growth" revenue into the hands of local and State officials in the next 5 years—to use as they see fit, no strings attached.

That's a good start, but we have to do more.

The next step is to get Congress to pass special revenue sharing legislation. This legislation would make it possible to put into big bundles the money now going to States and communities a little bit here, a little bit there.

For example, the President's educational revenue sharing legislation, the Better Schools Act of 1973, would consolidate more than 30 narrow-gauge programs into a broad package of assistance to States and communities. This act would give local officials the flexibility to meet their community's own unique problems in their own unique way. But it includes strong safeguards to insure that major national goals, such as promoting equal educational opportunity and the targeting of aid on the disadvantaged, would be met.

Under the Better Schools Act, the Congress would cease performing as a national school board. It would yield to locally elected officials the authority they want—and need—to serve their constituents responsibly and effectively.

We are doing other things in the Department of Health, Education, and Welfare to cut the Federal ties that bind States and communities.

One of these is our decentralization program, which puts more of the day-to-day decision-making authority in our Regional Offices. The day is

coming when a local administrator no longer will have to try to reach some low-level guy buried in the Washington bureaucracy when he wants to be heard about some HEW program affecting his county or community.

With decentralization, the "Fed" will be closer to the local administrator, he will understand the local administrator's problem better, he will have the authority to resolve that problem, and he will have every incentive to be responsive because, unlike the Washington bureaucrat, he will have a regular, ongoing working relationship with the local administrator.

Problems That Still Remain

These New Federalism initiatives are steps along the way to a coordinated human resources delivery system. But we still have big problems to solve.

Welfare is our most conspicuous example. We need to make sense out of our so-called welfare system, and we will. We are working now to end the fraud and the administrative chaos. But once that is done, serious structural problems remain, and we have a task force at HEW working on these problems right now. One thing they are looking at is how our present crazy quilt mixture of straight cash and indirect cash programs are producing injustices all across the land.

One study in New York City showed that a man with a wife and two children, earning \$7,000 a year on his job, is only \$200 a year better off than his neighbor down the block on welfare with the same size family. In other words, the first father has only a \$200 a year incentive to work. Welfare, Medicaid, school lunches, food stamps, and other in-kind benefits have put both men on almost equal income grounds. And if the man on welfare is earning money under the table, as some do, he is way ahead of his friend down the block who heads out the door every morning with a lunchbox under his arm.

That is not some freakish example. Thirty percent of all the jobs in New York City pay less than \$90 a week, while the fathers of welfare families get benefits equal to \$135 a week gross earnings.

And these inconsistencies are not confined to New York City or to welfare. They run through the whole fabric of governmental income programs and income-benefit programs. I cannot tell you today how we propose to resolve such gross

inequities. But I can tell you about some of the concepts we are exploring.

One approach that we are considering involves what Secretary of Health, Education, and Welfare Caspar W. Weinberger has called "revenue sharing for individuals." We simply would put more cash directly into the hands of individuals for use as they see fit, rather than hoping that they will benefit from a trickle-down effect through the human services agencies. Obviously, the savings in administrative costs alone would be enormous. Untold millions of dollars would be freed for individual use.

Another approach involves limited-purpose vouchers. This method has the advantage of insuring that assistance is used for appropriate purposes. We have already moved strongly forward in this area with the Basic Education Opportunities grants program. Disadvantaged but otherwise qualified youngsters will now be able to shop for a college that meets their needs; no longer will they have to go hat in hand in search of scholarships.

Resolution of Problems

While the problems we face are complex and their solutions equally difficult to conceive and implement, we at last know what we must do.

1. We have to develop an income support system in government that makes sense. That system must be fair, effective, and not work at cross purposes with itself.

2. We need to end the fragmentation of our human resource system that is built into the process from Washington on down. That will mean special revenue-sharing legislation or something similar. It will mean decentralizing Federal agencies so that Federal decision-makers are close to State and local decision-makers. We are looking hard now at each of our programs.

3. We will need to build into our intergovernmental relationships and into the voluntary sector a capacity to deal with human need in a comprehensive way. This will mean rebuilding part of government so that we have both vertical and horizontal linkages among Federal, State, and local governments—all to the end that, at the point where people actually seek services, we can provide access to a one-stop human service agency network.

When we have done these things, we will have built a better and stronger nation.